

NationsBank
Uvalde Banking Center
220 East Main Street
Uvalde, TX 78801-5639

Tel 210 591-4000
Fax 210 278-7731

RECORDATION NO. 19076-A FILED 1424

NOV 30 1994 10:35 AM

INTERSTATE COMMERCE COMMISSION
0100444005

NationsBank

November 17, 1994

Interstate Commerce Commission
12th & Constitutional Ave. NW
Washington, D.C. 20423
Attn: Mrs. Fort
Room #2311

Dear Mrs. Fort:

Enclosed please find the following which need to be recorded with the ICC:

~~Security Agreement~~

~~Secured Party: NationsBank of Texas, N.A.
Uvalde Banking Center
220 East Main
Uvalde, Texas 78801~~

~~Debtor/Pledgor: ITG, Inc.
106 N. Main, Suite 200
Victoria, Texas 77901~~

~~Collateral: Assignment of the proceeds from the Railroad Car
Lease Agreement, No. ITG-2376, between ITG, Inc. and Southern
Illinois Railcar Company, Inc.~~

*SEPARATE
TRANSMITTAL
LETTER*

~~Security Agreement~~

~~Secured Party: NationsBank of Texas, N.A.
Uvalde Banking Center
220 East Main
Uvalde, Texas 78801~~

~~Debtor/Pledgor: Joint Venture Master Agreement #1643
106 N. Main, Suite 200
Victoria, Texas 77901~~

~~Collateral: 2 (two) 100 Ton, 4427 Cubic Ft., LO Covered Hopper
Cars numbered: SIRX12100, SIRX12101 and 1 (one) 4750 Cubic
Ft., LO Covered Hopper Car numbered: SIRX12200.~~

*SEPARATE
TRANSMITTAL
LETTER*



Official Sponsor
1994/1996

Member FDIC

Interstate Commerce Commission
November 17, 1994
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Collateral Assignment of Lease Agreement

Assignor: ITG, Inc.
106 North Main
Victoria, Texas 77901
Assignee: NationsBank of Texas, N.A.
220 East Main
Uvalde, Texas 78801

Railroad Car Lease Agreement No. ITG-2376, dated August 22, 1994, by and between Assignor and Southern Illinois Railcar Company, Inc. covering 3 railroad cars.

I am enclosing 3 (three) cashier's checks in the amount of \$21.00 each payable to ICC for recording.

Upon recordation of the above, please forward recorded documents to the following address:

NationsBank of Texas, N.A.
Austin Banking Center
P. O. Box 908
Austin, Texas 78781
Attn: Loan Administration, 3rd Floor

Sincerely,

Veronica B. Hinojosa

Veronica B. Hinojosa
Commercial Lending Assistant

/vh

Encl.

COLLATERAL ASSIGNMENT OF LEASE AGREEMENT

REGISTRATION NO. 19076-A

FILED 1495

NOV 30 1994 AM

THE STATE OF TEXAS .}{

COUNTY OF UVALDE }

KNOW ALL MEN BY THESE PRESENTS:

THAT THIS ASSIGNMENT made as of the 10th day of November, 1994, by ITG, Inc., a Texas corporation, which has the address of 106 North Main, Victoria, Texas 77901, (hereinafter referred to as "Assignor," whether one or more), to NationsBank of Texas, N.A., a national banking corporation with offices located at 220 E. Main, Uvalde, Texas 78801, (hereinafter referred to as "Assignee"), as follows:

W I T N E S S E T H:

THAT Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby grants, transfers and assigns to Assignee all rents, charges and rights to payment of any kind arising from or under the terms of that certain Railroad Car Lease Agreement No. ITG-2376, dated August 22, 1994, by and between Assignor and Southern Illinois Railcar Company, Inc. and covering 3 railroad cars as described therein, together with all further leases or renewals thereof now or hereafter to be made or executed by Assignor, whether written or oral, covering all or any portion of said railroad cars or any substitutions or replacements therefor.

THIS ASSIGNMENT is made for the purpose of securing the following:

- a. The payment of the principal sum, interest and indebtedness evidenced by that certain promissory note ("Note") of even date herewith, and any amendments, extensions, or renewals thereof, in the original principal sum of \$55,000 executed by Stephen L. Horton, and payable to the order of Assignee, at Uvalde, in Uvalde County, Texas, secured by a security agreement of even date herewith, by and between Joint Venture Master Agreement #1643, as Debtor, and Assignee, as Secured Party, covering the above referenced railroad cars, among other collateral, and governed by the terms of a Loan Agreement, dated the 10th day of November, 1994, between Assignor, as Borrower, and Assignee, as Lender, and the Guarantor named therein; and
- b. Payment of all other sums with interest thereon becoming due and payable to Assignee under the provisions of this Assignment or of said Note, Security Agreement and Loan Agreement;
- c. The performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in said Note, Security Agreement, and Loan Agreement; and

- d. Any and all other indebtedness of Stephen L. Horton and Deborah J. Horton to Assignee now or hereafter owing, whether direct or indirect, primary or secondary, fixed or contingent, joint or several, regardless of how evidenced or arising.

Assignor covenants with Assignee to observe and perform all the obligations imposed upon the Lessor under any of said leases and not to do or permit to be done anything to impair the security thereof; not to collect any of the rents, income or profits arising or accruing under said leases in advance of the time when the same shall be come due; not to execute any other assignment of lessor's interest in said leases or assignment of rents arising or accruing from said leases; not to alter, modify or change said leases without the prior written consent of Assignee; at Assignee's request to assign and transfer to Assignee and any all subsequent leases upon all or any part of the railroad cars described above; to regularly invoice the lessee under any such lease for rentals as required therein, including but not limited to invoicing the lessee in the above described lease with Southern Illinois Railcar Company, Inc. for rentals in accordance with that lease; to permit and direct that all lessees, including the said Southern Illinois Railcar Company, Inc., make all payments of rentals and other charges under said leases to Assignee directly and to take all steps necessary to notify, authorize and enable said lessees to make such payments to Assignee directly; and to execute and deliver at the request of Assignee all such further assurances and assignments as the Assignee shall from time to time reasonably require.

THIS ASSIGNMENT is made on the following terms, covenants and conditions:

1. All rentals, charges and other rights to payment coming due to Assignor under the terms of said leases shall be paid directly to Assignee at Uvalde, in Uvalde County, Texas, without regard in any way to whether any default has occurred in the payment of the principal sum, interest and indebtedness secured hereby and by said Note, Security Agreement, and Loan Agreement. Assignor shall, and by this assignment does hereby authorize and direct the lessees under any such leases, including the Southern

Illinois Railcar Company, Inc. under the above described Lease Agreement No. ITG-2376, to pay all rentals, charges, and other payment coming due to Assignor under the terms of such leases to Assignee directly and to continue to do so until otherwise notified by Assignee.

2. Assignee shall not be liable for any loss sustained by Assignor resulting from assignee's failure to relet the railroad cars after any default under any lease agreement or from any act or omission of Assignee in managing any of the collateral after any such default. Nor shall Assignee be obligated to perform or discharge nor does Assignee hereby undertake to perform or discharge any liability, duty or obligation under any of said leases or under or by reason of this Assignment and Assignor shall, and does hereby agree, to indemnify Assignee for, and to hold Assignee harmless from, any and all liability, loss or damage which might be incurred under said leases or under or by reason of this Assignment and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Assignor incur any such liability under said leases or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby and Assignor shall reimburse Assignee therefor immediately upon demand, and upon the failure of Assignor so to do, Assignee may, at its option, declare all sums secured hereby and by said Note and Security Agreement, immediately due and payable. And it is further understood that this Assignment shall not operate to place responsibility upon Assignee for the purposes of carrying out any of the terms and conditions of said leases; nor shall it operate to make Assignee responsible or liable for any damage done to any of the leased property by the lessees or any other parties or for any dangerous or defective condition of the leased railroad cars, or for any negligence in the management, upkeep, repair or control of

the leased railroad cars resulting in loss or injury or death of any lessee, licensee, employee or any other person.

3. Upon payment in full of the principal sum, interest and indebtedness secured hereby and by said Note, Security Agreement, and Loan Agreement, this Assignment shall become and be void and of no effect, but the affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee showing any part of said principal, interest or indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment upon which any person may, and is hereby authorized to, rely. Assignor hereby authorizes and directs the lessees name in said leases or any further leases described herein upon receipt from Assignee of written notice to the effect that Assignee is then the holder of said Note, Security Agreement, and Loan Agreement, and that a default exists thereunder or under assignment, to pay over to Assignee all rents, income and profits arising or accruing under said leases or from the premises described therein or in said Note, Security Agreement, and Loan Agreement, and to continue so to do until otherwise notified by Assignee.

4. Assignee may take or release other security for the payment of said principal sum, interest and indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of such principal sum, interest, or indebtedness without prejudice to any of its rights under this Assignment.

5. The term "leases" or "said leases" as used herein means said leases hereby assigned, any extension or renewal thereof, and any leases subsequently executed during the term of this Assignment covering the railroad cars described above, or any portion thereof, or any substitutions or replacements therefor.

6. Nothing contained in this Assignment and not act done or omitted by Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under said Note, Security Agreement, and Loan

Agreement, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Assignee under the terms of said Note, Security Agreement, and Loan Agreement. The right of Assignee to collect said principal sum, interest and indebtedness and to enforce any other security therefor held by it may be exercised by Assignee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

THIS ASSIGNMENT, together with the covenants and warranties herein contained shall inure to the benefit of Assignee and any and all subsequent holders of said Note, Security Agreement, and Loan Agreement, and shall be binding upon Assignor, their successors and assigns, and any subsequent owner of the above described railroad cars.

WITNESS THE EXECUTION HEREOF as of the date first above written, in duplicate original counterparts.

ATTEST:

ITG, INC.

By: [Signature]
Michael Sagebiel
President

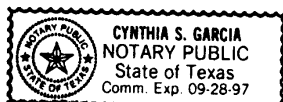
NationsBank of Texas, N.A.

By: [Signature]
Kenneth Bonnet
Vice President

THE STATE OF TEXAS }}{

COUNTY OF VICTORIA }}{

This instrument was acknowledged before me on this the 16th day of November, 1994, by _____ acting in his representative capacity as _____ of ITG, INC.

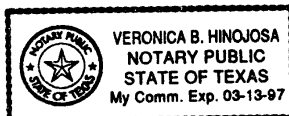


[Signature]
Notary Public, State of Texas

THE STATE OF TEXAS }}{

COUNTY OF UVALDE }}{

This instrument was acknowledged before me on this the 17th day of November, 1994, by Kenneth Bonnet acting in his representative capacity as Vice President of NationsBank of Texas, N.A.



[Signature]
Notary Public, State of Texas